



COMMONWEALTH OF PUERTO RICO
DEPARTMENT OF STATE
SAN JUAN, PUERTO RICO

CERTIFICATE OF AUTHORIZATION TO DO BUSINESS IN
PUERTO RICO

THIS IS TO CERTIFY THAT:

No.12,233-F

PETROBRAS AMERICA INC.

is a profit corporation organized under the laws of Delaware duly authorized to do business in Puerto Rico since August 7, 2002 at 9:35 a.m.



IN WITNESS WHEREOF, the undersigned by virtue of the authority vested by law, hereby issue this certificate and affixes the Great Seal of the Commonwealth of Puerto Rico, in the City of San Juan, today August 7th of the year two thousand two.

Gricel Falgás Rodríguez
Gricel Falgás Rodríguez
Assistant Director
Corporate Registry

GFR/Jar
10DO 000F 457-407

EXHIBIT A



COMMONWEALTH OF PUERTO RICO
DEPARTMENT OF STATE
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Assistant Director
Corporate Registry

GFR/Jar
10DO 000F 457-407



Estado Libre Asociado de Puerto Rico
Departamento de Hacienda
Negociado de Procesamiento de Planillas

**SOLICITUD DE CERTIFICACION DE
RADICACION Y COPIA DE PLANILLA**
(Véanse instrucciones al dorso)

**USO OFICIAL SOLAMENTE PARA
LA SECCION DE FOTOCOPIAS**

Número de solicitud

Número(s) de serie

Información General

Clase de planilla o declaración que solicita:

☐ Copia de planilla (simple) \$5
☐ Copia de planilla (protocolar) \$7

☒ Contribución sobre ingresos
☐ Caudal relicto y donaciones
☐ Certificación de cancelación de gravamen (Relevo)
☐ Arbitrios

☐ Trimestrales
☐ Otros

Tipo de Contribuyente

☐ Individuo
☐ Fiduciario
☐ o Sucesión
☐ Sociedad

Fecha de organización

____/____/____

☒ Corporación

Fecha de incorporación

____/____/____

Propósito de esta solicitud:

☐ Instituciones financieras
☒ Otro (especifique) Arbitrios
☐ Asistencia económica (por ejemplo, subsidio de renta)
☐ Herencia
☐ Inmigración
☐ Tribunal

Periodo contributivo y cantidad de copias o certificaciones que solicita:

Día	Mes	Año	Día	Mes	Año	Cantidad
____	____	____	____	____	____	____
____	____	____	____	____	____	____
____	____	____	____	____	____	____
____	____	____	____	____	____	____
____	____	____	____	____	____	____

Si es una declaración, favor indicar el (los) mes(es) trimestre(s)

Nombre del contribuyente, causante o donante

Petroleas America, Inc.

Núm. seguro social o identificación patron

760-235183

Nombre del solicitante (si es diferente al nombre del contribuyente)

Edgar Rivera

Relación del solicitante con el contribuyente, causante o donante

Representante Autorizado

Dirección postal del contribuyente o solicitante

PO Box 363566
San Juan, PR 00936-3566

Teléfono oficina:

-7970

Teléfono residencia:

ASISTENCIA CONTRIBUTIVA

#2

Se acompaña la cantidad de \$ 5.00 en sellos de Rentas Internas. Número(s) de serie

Complete sólo si el contribuyente es un individuo y solicita certificación de planilla de contribución sobre ingresos

Estado civil

☐ Soltero ☐ Casado ☐ Separado

Nombre del cónyuge

Núm. seguro social del cónyuge

El contribuyente vive: ☐ Sí ☐ No

Indique la fecha de fallecimiento:

Ingresos	Contribuyente	Cónyuge
Empleado de gobierno	<input type="checkbox"/>	<input type="checkbox"/>
Empleado de empresa privada	<input type="checkbox"/>	<input type="checkbox"/>
Trabajo por cuenta propia	<input type="checkbox"/>	<input type="checkbox"/>
Indicar profesión u ocupación		
Salario o ingreso del periodo contributivo más reciente	\$	\$

Complete sólo si está solicitando copia de planilla de caudal relicto y donaciones o certificación de cancelación de gravamen

Número del caso o relevo

Fecha de fallecimiento o donación

Declaración y Firma

Declaro bajo las penalidades de perjurio que esta solicitud ha sido examinada por mí, y la información en esta solicitud es cierta, correcta completa.

Firma del contribuyente

Fecha de solicitud 8/6/02

Firma del solicitante [Firma]



ESTADO LIBRE ASOCIADO DE PUERTO RICO
DEPARTAMENTO DEL TRABAJO Y RECURSOS HUMANOS
ADMINISTRACIÓN DEL DERECHO AL TRABAJO
SECCION DE CONTRIBUCIONES
UNIDAD DE DETERMINACION DE PATRONOS
505 AVE. MUÑOZ RIVERA, SAN JUAN PR 00919
TELEFONOS: (787) 281-5673 - (787) 754-5271 - FAX: (787) 281-5649

CERTIFICACION

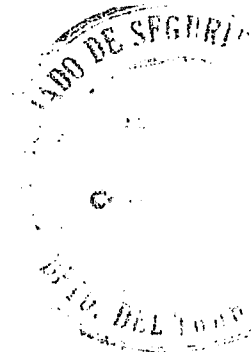
LA UNIDAD DE EMPLEO: PETROBRAS AMERICA, INC.

NUMERO SEGURO SOCIAL: 76-0235183

NO APARECE REGISTRADA COMO PATRONO, POR LO QUE NO TIENE DEUDA
PENDIENTE EN ESTE NEGOCIADO, PARA LOS PROGRAMAS DE SEGURO POR
DESEMPLEO E INCAPACIDAD.

EN SAN JUAN, PUERTO RICO, 2DE AGOSTO DE 2002.

ALVILDA MARIN
DIRECTORA
SECCION DE CONTRIBUCIONES



ECR2423

DEPARTAMENTO DE HACIENDA

FEC 05-08-2002

HORA . 10:59

NEGOCIADO DE RECAUDACIONES

CERTIFICACION DE DEUDA

NL CUENTA: 001 760-23-5183 PETROBRAS AMERICA INC
10777 WESTHEIMA RD
SUITE 1200
HOUSTON TX 77042-

CERTIFICO QUE LA PERSONA O CORPORACION
ARRIBA MENCIONADA NO FIGURA EN NUESTRO
SISTEMA PRITAS COMO CONTRIBUYENTE
AL DIA DE HOY 05-08-2002

A. Golan

COLECTOR DE RENTAS INTERNAS O SU REPRESENTANTE AUTORIZADO

NOTA: ESTA CERTIFICACION NO ES VALIDA SIN LA FIRMA AUTORIZADA
Y EL SELLO DEL DEPARTAMENTO DE HACIENDA



Modelo AS-53
Mayo 1997

USO OFICIAL
02-0778
Núm. Certificación



GOBIERNO DE PUERTO RICO
CENTRO DE RECAUDACION DE INGRESOS MUNICIPALES

CERTIFICACIÓN NEGATIVA

Hacemos constar que **Petrobras America, Inc.** con número de Seguro Social o patronal **760-23-5183** no figura radicando planillas de propiedad mueble o no posee propiedad inmueble en nuestro sistema contributivo computadorizado.

Sin embargo, la información suministrada puede ser afectada por cualquier investigación o intervención de cuenta que se haya iniciado o esté por iniciarse a este contribuyente.

Emitida hoy, 2 de agosto de 2002.

Preparada por:

Ivette Matías Ramos
Auxiliar Administrativo
Centro Regional de Central

Aprobada por:

Carlos Martínez
Gerente Regional o Director de
Servicios Operacionales o su
Representante Autorizado



COMMONWEALTH OF PUERTO RICO
DEPARTMENT OF STATE
SAN JUAN, PUERTO RICO

CERTIFICATE OF AUTHORIZATION TO DO BUSINESS IN

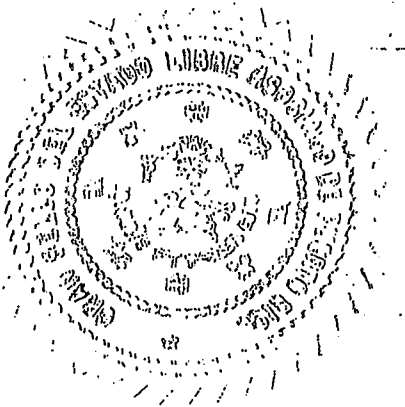
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Gricel Falcás Rodríguez
Gricel Falcás Rodríguez
Assistant Director
Corporate Registry

GFR/Jar
10DO 000F 457-407

Delaware

PAGE 1

The First State

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "PETROBRAS AMERICA INC." IS DULY INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL CORPORATE EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE FIRST DAY OF AUGUST, A.D. 2002.



Harriet Smith Windsor
Harriet Smith Windsor, Secretary of State

2140907 8300

AUTHENTICATION: 1914819

020489111

DATE: 08-01-02

PETROBRAS AMERICA, INC.

INSTRUCTIONS FOR FILING
2002 CORPORATE ANNUAL REPORT

SIGNATURES

The original of the report should be signed and dated by both the President or Vice-President and the Treasurer or Assistant Treasurer in the spaces provided on page 3.

These signatures must be affixed in the presence of an authorized notary who should complete and sign the notarization statement as indicated.

DUE DATE

On or before July 14, 2003.

HOW TO FILE

The signed and notarized original of the report and attachments should be sent in time to be received by the above due date to:

Department of State
P.O. Box 9023271
San Juan, Puerto Rico 00902

We suggest that you consider sending the report by Certified Mail - Return Receipt Requested.

ANNUAL FEE

(ONLY MARKED ITEMS APPLY)



A P.R. Internal Revenue Voucher (Modelo SC-848) ("Recibo de Pago") for \$100 representing the annual filing fee should be attached (YELLOW COPY ONLY) to the report prior to filing. This voucher can be purchased from any Collector's office in Puerto Rico.

The number and date of purchase of this voucher should be entered on page 1 of the report in the spaces provided in the upper left corner.

In case you don't have access to purchase the Voucher in Puerto Rico, you can attach to the Report a Certified Check payable to the "Secretary of the Treasury" in the amount of \$100, representing the filing fee.



Estado Libre Asociado de Puerto Rico
Commonwealth of Puerto Rico

Departamento de Estado
Department of State

INFORME ANUAL DE CORPORACIONES
CORPORATE ANNUAL REPORT

Año 2002
Year

Núm. seguro social patronal: 760235183
Employer social security no.

Comprobante número: _____ Registro número: 12233-F Fecha: _____
Voucher number: Registry number: Date:

Tipo de Corporación: doméstica ☒ foránea ☒ con fines lucrativos sin fines lucrativos
domestic foreign profitable not for profit

Volumen del negocio: Sobrepasa un millón ☐ No sobrepasa un millón ☒
Volume of business: Exceeds one million dollars Does not exceed one million dollars

Nombre de la corporación: PETROBRAS AMERICA, INC.
Name of the corporation:

Dirección de la oficina designada: 10777 Westheimer Road Suite 1200
(Física y postal) Houston, TX 77042
Address of the designated office:
(Physical and mailing)

Nombre del agente residente: Ivan Reichard, Esq
Name of resident agent:

Dirección física y postal del agente residente: Reichard & Calaf, P.S.C. 2946 San Francisco St.
Physical and mailing address of the resident agent: San Juan, PR 00909

Nombre, posición, dirección postal y fecha de expiración del cargo de los directores en funciones, a la fecha de radicación del informe.

Name, position, mailing address and date of expiration of the term of the directors holding office at the time this report is filed.

Nombre	Posición	Dirección	Fecha de expiración
See List Attached			

Nombre, posición, dirección postal y fecha de expiración del cargo de los oficiales en funciones a la fecha de radicación del informe.

Name, position, mailing address and date of expiration of the term of the officers holding office at the time this report is filed.

Nombre	Posición	Dirección	Fecha de expiración
See List Attached			

Estado de situación ¹
(Balance sheet)

SEE STATEMENT ATTACHED

¹ AUDITORÍA POR UN CONTADOR PÚBLICO AUTORIZADO
CERTIFIED PUBLIC ACCOUNTANT AUDIT

Si el volumen de negocio de esta corporación sobrepasara un millón (1,000,000) de dólares, el estado de situación que acompaña a este informe aquí habrá de estar debidamente auditado por un Contador Público Autorizado con licencia en el Estado Libre Asociado de Puerto Rico, que no sea ni accionista ni empleado de la corporación, junto con la opinión correspondiente de dicho Contador Público Autorizado.

When the volume of business of this corporation exceeds one million (1,000,000) dollars, the financial statement provided herewith shall be duly audited by a Certified Public Accountant licensed by the Commonwealth of Puerto Rico, who is neither a stockholder nor employee of such corporation, together with the corresponding opinion of such Certified Public Accountant.

DECLARACIÓN JURADA
SWORN STATEMENT

EN TESTIMONIO DE LO CUAL, nosotros, _____ (Presidente o Vicepresidente), y _____ (Tesorero o Subtesorero), declaramos que la información contenida en este Informe Anual es correcta. Hoy, ____ de _____ de 20__.

IN WITNESS WHEREOF, we, _____ (President or Vice-President), and _____ (Treasurer or Assistant-Treasurer), do hereby declare that the information contained in the foregoing Annual Report is correct. This ____ of _____, 20__.

Presidente o Vicepresidente
President or Vice-President

Tesorero o Subtesorero
Treasurer or Assistant-Treasurer

Affidavit núm.: _____
Affidavit no.: _____

JURADO Y SUSCRITO ANTE MÍ POR:
SWORN AND SUBSCRIBED TO BEFORE ME BY:

y
and

de las siguientes circunstancias personales: _____

(mayoría de edad, profesión, vecindad y puesto que ocupa en la corporación), a quienes conozco personalmente.

Of the following personal circumstances:
of, and position they hold in the corporation), whom I personally know. (legal age, profession, residents

Dada en _____, Puerto Rico, hoy, ____ de _____ de 200__.

In _____, Puerto Rico, on _____, 200__.

SELLO NOTARIAL
NOTARIAL SEAL

NOTARIO PÚBLICO
NOTARY PUBLIC

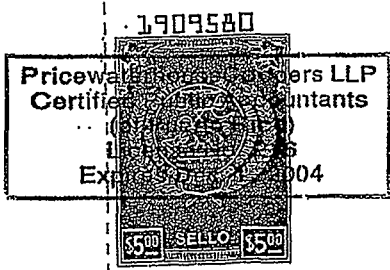


PricewaterhouseCoopers LLP
254 Munoz Rivera Avenue
BBV Tower, 9th Floor
Hato Rey PR 00918
Telephone (787) 754 9090
Facsimile (787) 766 1094

Report of Independent Auditors
On Balance Sheet Filed with the Department of State

We certify that the Petrobras America, Inc.'s operations in Puerto Rico for the year ended December 31, 2002, had been inactive and had neither assets nor liabilities within Puerto Rico.

This report is intended solely for the information and use of the board of directors and management of the Company and the Department of State of the Commonwealth of Puerto Rico and is not intended to be and should not be used by anyone other than these specified parties.



PricewaterhouseCoopers LLP

By Ramon E. Porto
License No. 1358

July 8, 2003

PETROBRAS AMERICA, INC.
ACCOUNT NO. 76-0235183
REGISTRY NO. 12233-F

2002 CORPORATE ANNUAL REPORT

List of Officers and Directors

Officers

Renato Bertani – President
10777 Westheimer Road, Suite #1200
Houston, TX 77042

Homero Ventura – Finance Manager
10777 Westheimer Road, Suite #1200
Houston, TX 77042

Ivan Pereira de Sá – Commercial Manager
10777 Westheimer Road, Suite #1200
Houston, TX 77042

Directors

José M. Camargo – Director
Av. Republica do Chile, 65 – RJ – Brazil

Joao C. Figueira – Director
Av. Republica do Chile, 65 – RJ – Brazil

Renato Bertani – Director
10777 Westheimer Road, Suite #1200
Houston, TX 77042

Homero Ventura – Secretary
10777 Westheimer Road, Suite #1200
Houston, TX 77042



PricewaterhouseCoopers LLP
PO Box 363566
San Juan PR 00936-3566
Telephone (787) 754 9090
Facsimile (787) 766 1094

April 14, 2003

Department of State
P.O. Box 9023271
San Juan, Puerto Rico 00902

Dear Sirs:

PETROBRAS AMERICA, INC.
ACCOUNT NO. 76-0235183
FILE NO. 12233-F

On behalf of the above taxpayer, we respectfully request an extension of time until July 14, 2003, within which to file the Corporate Annual Report for the year 2002. The extension is necessary due to delays in assembling the information required to complete the report.

Please acknowledge receipt of this letter by date stamping the attached copy. If you have any questions, please contact José Salvatella or me.

Very truly yours,

Héctor Bernier

cc: Mr. Alvaro Hiroshi Tutia - Petrobras America, Inc.



INCOME



Ernst & Young LLP
1000 Scotiabank Plaza
273 Ponce de Leon Avenue
Hato Rey, Puerto Rico 00917-1989

Phone: (787) 759-8212
Fax: (787) 753-0808
Fax: (787) 753-0813
www.ey.com

Report of Independent Auditors

To the Management of Petrobras America, Inc.

We have audited the accompanying statement of net assets of Petrobras America, Inc. – Puerto Rico Operations (a division of Petrobras America, Inc.), as of December 31, 2003, and the related statements of income, changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of the division's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Petrobras America, Inc. – Puerto Rico Operations (a division of Petrobras America, Inc.) at December 31 2003, and its income and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States.

February 7, 2005

2004067



Ernst & Young LLP

By:

A handwritten signature in dark ink, appearing to read 'Victor M. Alvear', written over a horizontal line.

Victor M. Alvear, CPA
Lic.No.1864

PETROBRAS AMERICA INC. - PUERTO RICO OPERATIONS
(a Division of Petrobras America Inc.)
STATEMENT OF NET ASSETS
December 31, 2003

ASSETS

Current Assets

Accounts Receivable:

Nonaffiliates \$ 42,468,379

Inventories 10,537,005

Total Current Assets 53,005,384

TOTAL ASSETS \$ 53,005,384

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts Payable and Accrued Liabilities:

Affiliates \$ 35,425,755

Nonaffiliates 489,005

Tax Payable 1,268,990

Total Current Liabilities 37,183,750

Total Liabilities 37,183,750

Investment From PAI 14,221,408

Accumulated Earnings 1,600,226

Total Net Assets 15,821,634

TOTAL LIABILITIES AND NET ASSETS \$ 53,005,384

PETROBRAS AMERICA INC. – PUERTO RICO OPERATIONS

(a Division of Petrobras America Inc.)

STATEMENT OF INCOME

Year Ended December 31, 2003

Revenues	
No. 6 Residual Fuel Oil	\$ 233,096,258
Costs	
No. 6 Residual Fuel Oil	<u>226,589,858</u>
Gross Profit	<u>6,506,400</u>
Operating Expenses	
Duties	416,930
Freight	317,251
Unloading Inspection Expense	140,806
Storage Expense	2,224,081
Bond Insurance	<u>202,500</u>
Total Operating Expenses	<u>3,301,568</u>
Net Operating Profit	3,204,832
General & Administrative Allocation	233,526
Consultants/Professional Fees	<u>102,090</u>
	<u>335,616</u>
Income Before Income Taxes	2,869,216
Provision for Income Taxes	<u>1,268,990</u>
Net Income	<u>\$ 1,600,226</u>

PETROBRAS AMERICA INC. – PUERTO RICO OPERATIONS
 (a Division of Petrobras America Inc.)
 STATEMENT OF CHANGES IN NET ASSETS
 Year Ended December 31, 2003

	<u>Investment From PAI</u>	<u>Accumulated Earnings</u>	<u>Total</u>
Balance – December 31, 2002	\$ (382,259)	\$ –	\$ (382,259)
Net funding from PAI	14,603,667	–	14,603,667
Current year earnings	<u>–</u>	<u>1,600,226</u>	<u>1,600,226</u>
Balance – December 31, 2003	<u>\$ 14,221,408</u>	<u>\$ 1,600,226</u>	<u>\$ 15,821,634</u>

PETROBRAS AMERICA INC. – PUERTO RICO OPERATIONS
(a Division of Petrobras America Inc.)
STATEMENT OF CASH FLOWS
Year Ended December 31, 2003

Operating activities	
Net Income	\$ 1,600,226
Adjustments to reconcile net income to net cash provided by operating activities:	
Changes in operating assets and liabilities:	
(Increase) decrease in accounts receivable:	
Nonaffiliates	(42,468,379)
(Increase) decrease in inventories	(1,745,493)
Increase (decrease) in accounts payable :	
Affiliates	26,251,984
Nonaffiliates	489,005
Increase (decrease) in tax payable	<u>1,268,990</u>
Net cash used in operating activities	(14,603,667)
Financing activities	
Net proceeds from PAI	<u>14,603,667</u>
Net cash provided by financing activities	<u>14,603,667</u>
Net increase (decrease) in cash and cash equivalents	-
Cash and cash equivalents at beginning of year	-
Cash and cash equivalents at end of year	<u>\$ -</u>
Additional disclosures:	
Cash paid for interest	<u>\$ -</u>
Cash paid for income taxes	<u>\$ -</u>
Non-cash financing and investing activities:	
Additions to accounts payables-affiliates included in payments to PAI	<u>\$ -</u>

PETROBRAS AMERICA INC. – PUERTO RICO OPERATIONS
(a Division of Petrobras America Inc.)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003

1. ORGANIZATION

Petrobras America Inc. (PAI), a U. S. Corporation and a wholly-owned subsidiary of Petrobras International Braspetro B.V. in Netherlands, was formed on October 15, 1987 to acquire, own and operate rights-of-way and operating rights for the purpose of conducting oil and gas exploration and development activities on the Outer Continental Shelf of the United States of America. In 1990, PAI expanded its business activities to include the purchase of petroleum industry equipment, spare parts and similar related products (procurement activities) for sale to the Parent or its affiliates and to include the purchase and sale of crude oil and refined products from and to foreign companies and companies in the United States.

On August 7, 2002, PAI registered with Puerto Rico Department of State and was authorized to do business in Puerto Rico as a foreign corporation. In December 2002, PAI was selected as the supplier of No. 6 residual fuel oil to the Puerto Rico Electric and Power Authority (PREPA) on a one-year contract with automatic renewal of one year. In addition to making direct sales to PREPA, PAI also engages in indirect sales to PREPA through another customer, Fuel and Marine Marketing LLC (FAMM).

PAI purchases the No. 6 residual fuel oil from its parent and/or other affiliates and stores the inventory in oil tanks located in the premises of the Commonwealth Oil Refining Company (CORCO), a location designated as a Foreign Trade Zone (FTZ). PAI does not maintain employees or offices in Puerto Rico.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accounts of the Company are maintained on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

The accompanying financial statements present, on a historical cost basis, the assets, liabilities, revenue and expense related to the Puerto Rico Operations of Petrobras America Inc. (the Division) as of December 31, 2003. These statements are presented as if the Division had existed as a separate entity during the period presented.

PETROBRAS AMERICA INC. – PUERTO RICO OPERATIONS

(a Division of Petrobras America Inc.)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2003

The Division incurs certain common costs which relate to both the Division and other Petrobras America Inc. operations, and management has made allocations of these costs to the Division.

Total Equity reflects Petrobras America Inc.'s historical cost basis investment in the Division, accumulated earnings and losses of the Division and intercompany activity with Petrobras America Inc. which are not settled on a current basis.

The Division is part of Petrobras America Inc. and has no separate legal status or existence. Its resources and existence are at the disposal of corporate management. The Division's assets are legally available for the satisfactions of debts of the entire corporation, not solely those appearing on the accompanying balance sheet, and its debts may result in claims against assets not appearing thereon.

Cash

All cash and cash equivalents are transferred to Petrobras America Inc. through the investment account on a current basis and are excluded from assets on the accompanying statements. The Division is part of a centralized cash management system of Petrobras America Inc., whereby all cash disbursements of the Division are funded by, and all cash receipts are transferred to, Petrobras America Inc.

Allowance for Doubtful Accounts

The Division routinely assesses the recoverability of all material trade and other receivables to determine their collectibility. The Division accrues a reserve on a receivable when, based on the judgment of management, it is probable that a receivable will not be collected and the amount of any reserve may be reasonably estimated. As of December 31, 2003, the Division had no allowance for doubtful accounts.

Concentrations of Credit Risk

Substantially all of the Division's accounts receivable for nonaffiliates are due from either PREPA or FAMM. To date, this concentration has not had a material adverse effect on the financial position of the Division.

Inventories

Inventories consist of No. 6 residual fuel oil, which is valued at the lower of cost, determined using weighted-average cost, or market.

PETROBRAS AMERICA INC. – PUERTO RICO OPERATIONS
(a Division of Petrobras America Inc.)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003

Functional Currency

The U. S. dollar is the functional currency for the Division. All transactions are denominated in U. S. dollars.

Revenue Recognition

Sales revenue is recognized as fuel is sold at a determinable price, when delivery has occurred, title has transferred and the collectibility of the revenue is probable.

Use of Estimates

The financial statements, which are prepared in conformity with generally accepted accounting principles, include amounts that are based, in part, on management's best estimates and judgments.

3. INVENTORIES

At December 31, 2003, inventories pertaining to Puerto Rico Operations consisted of the following:

	<u>2003</u>
No. 6 Residual Fuel Oil.....	<u>\$ 10,537,005</u>

The fuel oil inventories in Puerto Rico is maintained at storage facility owned by Commonwealth Oil Refining Company (CORCO).

4. INCOME TAXES

A reconciliation of the United States statutory income tax amount to the effective amount is shown below:

	<u>For the year ended December 31, 2003</u>
Statutory income tax.....	\$ 1,004,226
Additional taxes related to Puerto Rico statutory tax.....	<u>289,790</u>
	<u>\$ 1,294,016</u>

PETROBRAS AMERICA INC. – PUERTO RICO OPERATIONS
(a Division of Petrobras America Inc.)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003

5. EQUITY

Petrobras America Inc. – Puerto Rico operations has been administered and fully funded by the Petrobras America Inc. (PAI) in Houston, Texas. Since the Puerto Rico operations hold neither separate cash account nor identifiable cash balance, all cash related transactions are booked through Investment From PAI, which is disclosed in the Equity section of the Balance Sheet.

6. RELATED PARTY TRANSACTIONS

Transactions related to Puerto Rico operations by the Company with its Parent and affiliated companies for the year ended December 31, 2003 were as follows:

	<u>2003</u>
Purchase of No. 6 Fuel Oil.....	<u>\$ 228,335,351</u>

7. SUBSEQUENT EVENT

The current PREPA Fuel Purchase Contract ended in December 2004, PAI did not renew the contract with PREPA for 2005.

To: Leonard 7/14/05
2004 P.R. Annual Report
Brau Chou



Estado Libre Asociado de Puerto Rico
Commonwealth of Puerto Rico

Departamento de Estado
Department of State

INFORME ANUAL DE CORPORACIONES
CORPORATE ANNUAL REPORT

Año 2004
Year

Núm. seguro social patronal: 76-0235183
Employer social security no.

Comprobante número: Registro número: 12233-F Fecha:
Voucher number: Registry number: Date:

Tipo de Corporación: doméstica ☒ foránea ☒ con fines lucrativos ☐ sin fines lucrativos
domestic foreign profitable not for profit

Volumen del negocio: Sobrepasa un millón ☒ No sobrepasa un millón ☐
Volume of Business: Exceeds one million dollars Does not exceed one million dollars

Nombre de la corporación: Petrobras America, Inc. - Puerto Rico Operations
Name of the corporation:

Dirección de la oficina designada: 10777 Westheimer Road, Suite 1200
(Física y postal) Houston TX 77042
Address of the designated office: 10777 Westheimer Road, Suite 1200
(Physical and mailing) Houston TX 77042

Nombre del agente residente: Ivan Relchard, Esq.
Name of the resident agent

Dirección física y postal del agente residente: Relchard & Calaf, P.S.C. 2946 San Francisco Street
Physical and mailing address of the resident agent: San Juan PR 00909
Relchard & Calaf, P.S.C. 2946 San Francisco Street San Juan PR 00909

Nombre, posición, dirección postal y fecha de expiración del cargo de los directores en funciones, a la fecha de radicación del informe.

Name, mailing address and date of expiration of the term of the directors holding office at the time this report is filed.

Nombre	Posición	Dirección	Fecha de expiración
See List Attached			

Nombre, posición, dirección postal y fecha de expiración del cargo de los oficiales en funciones, a la fecha de radicación del informe.

Name, mailing address and date of expiration of the term of the officers holding office at the time this report is filed.

Nombre	Posición	Dirección	Fecha de expiración
See List Attached			

Estado de situación 1
(Balance sheet)

See Statement Attached

¹ AUDITORÍA POR UN CONTADOR PÚBLICO AUTORIZADO
CERTIFIED PUBLIC ACCOUNT AUDIT

Si el volumen de negocio de esta corporación sobrepasara un millón (1,000,000) de dólares, el estado de situación que acompaña a este informe anual habrá de estar debidamente auditado por un Contador Público Autorizado con licencia en el Estado Libre Asociado de Puerto Rico, que no sea ni accionista ni empleado de la Corporación, junto con la opinión correspondiente de dicho Contador Público Autorizado.

When the volume of business of this corporation exceeds one million (1,000,000) dollars, the financial statement provided Herewith shall be duly audited by a Certified Public Accountant licensed by the Commonwealth of Puerto Rico, who is neither a stockholder nor employee of such corporation, together with the corresponding opinion of such Certified Public Accountant.

PETROBRAS AMERICA INC.
ACCT # 76-0235183

-ATTACHMENT TO -
2004 PUERTO RICO PERSONAL PROPERTY TAX

LIST OF OFFICERS AND DIRECTORS

OFFICERS

Renato Bertani President
10777 Westheimer, Suite 1200, Houston, TX 77042

Gustavo Barbosa Finance Manager
10777 Westheimer, Suite 1200, Houston, TX 77042

Date of expiration of the term
Continuing until succeeded

DIRECTORS

Joao Figueira
Av. Republica do Chile, 65 - RJ - Brazil

Nestor Cervero
Av. Republica do Chile, 65 - RJ - Brazil

Renato Bertani
10777 Westheimer, Suite 1200, Houston, TX 77042

Date of expiration of the term
Continuing until succeeded

DECLARACIÓN JURADA
SWORN STATEMENT

EN TESTIMONIO DE LO CUAL, nosotros, _____ (Presidente o Vicepresidente), y _____ (Tesorero o Subtesorero), declaramos que la información contenida en este Informe Anual es correcta. Hoy, ____ de _____ de 20 ____.

IN WITNESS WHEREOF, we, Renato Bertani (President or Vice-President), and Philip Limon (Treasure or Assistant-Treasure), do hereby declare that the information contained in the foregoing Annual Report is correct. This 14th of July, 20 05.

[Signature]
Presidente o Vicepresidente
President or Vice-President

[Signature]
Tesorero o Subtesorero
Treasure or Assistant-Treasure

Affidavit núm.: _____

Affidavit no.: _____

JURADO Y SUSCRITO ANTE MÍ POR
SWORN AND SUBSCRIBED TO BEFORE ME BY:

Renato Bertani y Philip Limon
and

de las siguiente circunstancias personales: 51 years - president - Resident
in U.S.A.

(mayoría de edad, profesión, vecindad y puesto que ocupa en la corporación), a quienes conozco personalmente.

of the following personal circumstances:

Philip Limon, 47, Asst. Trea., USA (legal age, profession, residents of, and position they hold in the corporation), whom I personally know.



Dada en _____, Puerto Rico, hoy, ____ de _____ de 200 ____.

In Houston, TX, Puerto Rico, on 14th July, 200 05
U.S.A.

SELLO NOTARIAL
NOTARIAL SEAL

Christine R. Miller
NOTARIO PÚBLICO
NOTARY PUBLIC



JPMorgan Chase Bank, N.A. HOUSTON, Texas 77042 Member FDIC		 CHASE	A 1790079520	32-118 1110
REMITTER UNITED PROGRESS AMERICA, INC.		DATE 07/14/2012		
PAY TO THE ORDER OF U.S. DEPARTMENT OF STATE		JPMORGAN CHASE BANK		
FEDERAL RESERVE BOX 900327 SAN JUAN, PR 00909		1790079520		
VOID OVER \$10,000.00				
AUTHORIZED SIGNATURE		SANDRA M. C. [illegible]		
1790079520 11110011501 10010179979520				

PETROBRAS AMERICA, INC. - PUERTO RICO OPERATIONS
INSTRUCTIONS FOR FILING
2004 CORPORATE ANNUAL REPORT

- SIGNATURES The original of the report should be signed and dated by both the President or Vice President and the Treasurer or the Assistant Treasurer in the spaces provided on page 3.

These signatures must be affixed in the presence of an authorized notary who should complete and sign the notarization statement as indicated.

DUE DATE On or before **JULY 14, 2005.**

HOW TO FILE The signed and notarized original of the report and attachments should be sent in time to be received by the above due date to:

Department of State
P.O. Box 9023271
San Juan, P.R. 00902

We strongly suggest that you send the return by Certified Mail-Return Receipt Requested.

ANNUAL FEE A P.R. Internal Revenue Voucher for \$100 ("Recibo de Pago") representing the annual filing fee should be attached to the report prior to filing. This voucher can be purchased from any Collector's office in Puerto Rico.

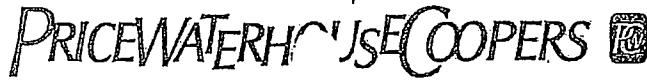
The number and date of purchase of this voucher should be entered on page 1 of the report in the spaces provided in the upper left corner.

In case you don't have access to purchase the Voucher in Puerto Rico, you can attach to the Report a Certified Check payable to the "Secretary of the Treasury" in the amount of \$100, representing the filing fee.

OTHER - The corporation's audited Balance Sheet as of December, 31, 2004 and accompanying certification bearing the original stamp of the Puerto Rico Society of CPA should be attached to the report prior to filing.

- A schedule listing the name, address and date of expiration of term of each officer and director of The corporation should be attached to the original report before filing. An additional copy should be furnished to us for our files.

- In the case that the report is notarized outside of Puerto Rico a "County Clerk Certificate" certifying that the notary is authorized by the County should be included with the report prior to filing.



PricewaterhouseCoopers LLP
254 Muñoz Rivera
BBVA Tower, 9th Floor
Hato Rey PR 00918
Telephone (787) 754 9090
Facsimile (787) 766 1094

05 APR 11 PM 2:58

UNICO
EXPRESO

April 8, 2005

Department of State
P.O. Box 9023271
San Juan, Puerto Rico 00902

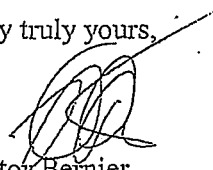
Dear Sirs:

PETROBRAS AMERICA, INC.
ACCOUNT NO. 76-0235183
FILE NO. 12233-F

On behalf of the above taxpayer, we respectfully request an extension of time until July 14, 2005, within which to file the Corporate Annual Report for the year 2004. The extension is necessary due to delays in assembling the information required to complete the report.

Please acknowledge receipt of this letter by date stamping the attached copy. If you have any questions, please call us.

Very truly yours,



Héctor Bernier

cc: Mr. Elau Lau – Petrobras America, Inc

2004 Annual
Report will
file 7/05
give copy to
Lenard!



Ernst & Young LLP
1000 Scollabank Plaza
273 Ponce de Leon Avenue
Hato Rey, Puerto Rico 00917-1989

Phone: (787) 759-8212
Fax: (787) 753-0808
Fax: (787) 753-0813
www.ey.com

INCOME

Report of Independent Auditors

To the Management of Petrobras America Inc.

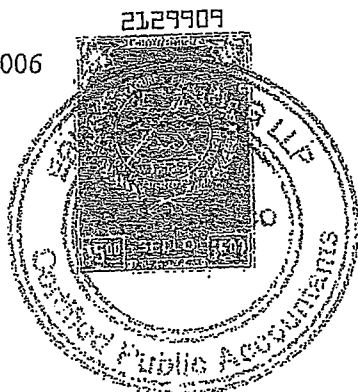
We have audited the accompanying statement of net assets of Petrobras America Inc. – Puerto Rico Operations (a division of Petrobras America Inc.), as of December 31, 2005 and 2004, and the related statements of operations, changes in net assets, and cash flows for the two years then ended. These financial statements are the responsibility of the division's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Petrobras America Inc. – Puerto Rico Operations (a division of Petrobras America Inc.) at December 31, 2005 and 2004, and its results of operations and cash flows for the two years then ended in conformity with accounting principles generally accepted in the United States.

Ernst & Young LLP

June 13, 2006



By: *Arturo Ondina*
Arturo I. Ondina, CPA
Lic.No.2567

PETROBRAS AMERICA INC. – PUERTO RICO OPERATIONS
(a Division of Petrobras America Inc.)
BALANCE SHEET
December 31, 2005 & 2004

	<u>2005</u>	<u>2004</u>
ASSETS		
Current Assets		
Accounts Receivable:		
Nonaffiliates	\$ 293,510	\$ 38,964,593
Inventories	<u>–</u>	<u>12,003,054</u>
Total Current Assets	<u>293,510</u>	<u>50,967,647</u>
TOTAL ASSETS	<u>\$ 293,510</u>	<u>\$ 50,967,647</u>
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts Payable and Accrued Liabilities:		
Affiliates	\$ –	\$ 35,733,287
Nonaffiliates	<u>129,734</u>	<u>502,168</u>
Total Current Liabilities	<u>129,734</u>	<u>36,235,455</u>
Total Liabilities	<u>129,734</u>	<u>36,235,455</u>
Investment From PAI	1,802,915	15,475,215
Accumulated Earnings	<u>(1,639,139)</u>	<u>(743,023)</u>
Total Equity	<u>163,776</u>	<u>14,732,192</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 293,510</u>	<u>\$ 50,967,647</u>

PETROBRAS AMERICA INC. – PUERTO RICO OPERATIONS
(a Division of Petrobras America Inc.)
STATEMENTS OF OPERATIONS
For Years Ended December 31, 2005 and 2004

	<u>2005</u>	<u>2004</u>
Revenues		
No. 6 Residual Fuel Oil	\$ 11,787,558	\$ 239,117,307
Costs		
No. 6 Residual Fuel Oil	<u>12,003,045</u>	<u>232,336,856</u>
Gross Profit	<u>(215,487)</u>	<u>6,780,451</u>
Operating Expenses		
Freight	387,644	4,926,847
Storage Expense	129,734	2,483,981
Unloading Inspection Expense	108,643	706,652
Duties	23,573	388,812
Bond Insurance	750	203,250
Other Operating Expense	84	23,674
Insurance Premium	-	18,056
Total Operating Expenses	<u>650,428</u>	<u>8,751,272</u>
Net Operating Loss	(865,915)	(1,970,821)
General & Administrative Allocation	17,201	297,108
Consultants/Professional Fees	<u>13,000</u>	<u>75,320</u>
	<u>30,201</u>	<u>372,428</u>
Loss Before Income Tax Benefit	(896,116)	(2,343,249)
Income Tax Benefit	-	-
Net Loss	<u>\$ (896,116)</u>	<u>\$ (2,343,249)</u>

PETROBRAS AMERICA INC. – PUERTO RICO OPERATIONS
 (a Division of Petrobras America Inc.)
 STATEMENT OF EQUITY
 For Years Ended December 31, 2005 and 2004

	Investment From PAI	Accumulated Earnings	Total
Balance – December 31, 2003	\$ 14,221,408	\$ 1,600,226	\$ 15,821,634
Net funding from PAI	1,253,807	-	1,253,807
Net Loss	<u>-</u>	<u>(2,343,249)</u>	<u>(2,343,249)</u>
Balance – December 31, 2004	\$ 15,475,215	\$ (743,023)	\$ 14,732,192
Net distributions to PAI	(13,672,300)	-	(13,672,300)
Net Loss	<u>-</u>	<u>(896,116)</u>	<u>(896,116)</u>
Balance – December 31, 2005	<u>\$ 1,802,915</u>	<u>\$ (1,639,139)</u>	<u>\$ 163,776</u>

PETROBRAS AMERICA INC. - PUERTO RICO OPERATIONS
(a Division of Petrobras America Inc.)
STATEMENT OF CASH FLOWS
For Years Ended December 31, 2005 and 2004

	<u>2005</u>	<u>2004</u>
Operating activities		
Net Loss	\$ (896,116)	\$ (2,343,249)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable:		
Nonaffiliates	38,671,083	2,234,796
(Increase) decrease in inventories	12,003,054	(1,466,049)
Increase (decrease) in accounts payable :		
Affiliates	(35,733,287)	307,532
Nonaffiliates	(372,434)	13,163
Net cash provided by In operating activities	<u>13,672,300</u>	<u>(1,253,807)</u>
Financing activities		
(Distributions to)/funding from PAI	<u>(13,672,300)</u>	<u>1,253,807</u>
Net cash used in financing activities	<u>(13,672,300)</u>	<u>1,253,807</u>
Net Increase (decrease) in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of year	-	-
Cash and cash equivalents at end of year	<u>\$ -</u>	<u>\$ -</u>
Additional disclosures:		
Cash paid for income taxes	<u>\$ -</u>	<u>\$ 1,562,500</u>

PETROBRAS AMERICA INC. – PUERTO RICO OPERATIONS

(a Division of Petrobras America Inc.)

NOTES TO FINANCIAL STATEMENTS

December 31, 2005 and 2004

The Division incurs certain common costs which relate to both the Division and other Petrobras America Inc. operations, and management has made allocations of these costs to the Division.

Total Equity reflects Petrobras America Inc.'s historical cost basis investment in the Division, accumulated earnings and losses of the Division and intercompany activity with Petrobras America Inc. which are not settled on a current basis.

The Division is part of Petrobras America Inc. and has no separate legal status or existence. Its resources and existence are at the disposal of corporate management. The Division's assets are legally available for the satisfactions of debts of the entire corporation, not solely those appearing on the accompanying balance sheet, and its debts may result in claims against assets not appearing thereon.

Cash

All cash and cash equivalents are transferred to Petrobras America Inc. through the investment account on a current basis and are excluded from assets on the accompanying statements. The Division is part of a centralized cash management system of Petrobras America Inc., whereby all cash disbursements of the Division are funded by, and all cash receipts are transferred to, Petrobras America Inc.

Allowance for Doubtful Accounts

The Division routinely assesses the recoverability of all material trade and other receivables to determine their collectibility. The Division accrues a reserve on a receivable when, based on the judgment of management, it is probable that a receivable will not be collected and the amount of any reserve may be reasonably estimated. As of December 31, 2005 and 2004, the Division had no allowance for doubtful accounts.

Concentrations of Credit Risk

Substantially all of the Division's accounts receivable from nonaffiliates are due from either PREPA or FAMM. To date, this concentration has not had a material adverse effect on the financial position of the Division.

Inventories

Inventories consist of No. 6 residual fuel oil, which is valued at the lower of cost, determined using weighted-average cost, or market.

PETROBRAS AMERICA INC. – PUERTO RICO OPERATIONS

(a Division of Petrobras America Inc.)

NOTES TO FINANCIAL STATEMENTS

December 31, 2005 and 2004

Functional Currency

The U. S. dollar is the functional currency for the Division. All transactions are denominated in U. S. dollars.

Revenue Recognition

Sales revenue is recognized as fuel is sold at a determinable price, when delivery has occurred, title has transferred and the collectibility of the revenue is probable.

Use of Estimates

The financial statements, which are prepared in conformity with generally accepted accounting principles, include amounts that are based, in part, on management's best estimates and judgments.

3. INVENTORIES

For years ended December 31, 2005 and 2004, inventories pertaining to Puerto Rico Operations consisted of the following:

	2005	2004
No. 6 Residual Fuel Oil.....	\$ -	\$ 12,003,054

The fuel oil inventories in Puerto Rico are maintained at storage facility owned by Commonwealth Oil Refining Company (CORCO).

4. INCOME TAXES

For years ended December 31, 2005 and 2004, a reconciliation of the United States statutory income tax expense (benefit) to the effective amount is shown below:

	2005	2004
Statutory income tax.....	\$ (313,641)	\$ (820,137)
Additional taxes related to Puerto Rico statutory tax.....	(90,507)	(236,668)
Valuation Allowance	404,148	1,056,805
	<u>\$ -</u>	<u>\$ -</u>

PETROBRAS AMERICA INC. - PUERTO RICO OPERATIONS
(a Division of Petrobras America Inc.)
NOTES TO FINANCIAL STATEMENTS
December 31, 2005 and 2004

The Company recorded a valuation allowance against the 2004 and 2005 net operating losses. These net operating losses will expire in 2011 and 2012 respectively.

5. EQUITY

Petrobras America Inc. - Puerto Rico operations has been administered and fully funded by the Petrobras America Inc. (PAI) in Houston, Texas. Since the Puerto Rico operations hold neither separate cash account nor identifiable cash balance, all cash related transactions are recorded through Investment from PAI, which is disclosed in the Equity section of the Balance Sheet.

6. RELATED PARTY TRANSACTIONS

Transactions related to Puerto Rico operations by the Company with its Parent and affiliated companies for year ended December 31, 2005 and year ended December 31, 2004 were as follows:

	2005	2004
Purchase of No. 6 Fuel Oil.....	\$ -	\$ 197,337,711



Estado Libre Asociado de Puerto Rico
Commonwealth of Puerto Rico

Departamento de Estado
Department of State

INFORME ANUAL DE CORPORACIONES CON FINES DE LUCRO
PROFITABLE CORPORATE ANNUAL REPORT

Año 2005
Year

Registro número: 12233-F
Registry number:

Nombre de la corporación: Petrobras America, Inc. - Puerto Rico Operations
Name of the corporation:

Tipo de Corporación: X doméstica foránea
domestic foreign

Núm. seguro social patronal: 76-0235183
Employer social security no.

Comprobante número:
Voucher number:

Volumen del negocio: Sobrepasa un millón X No sobrepasa un millón
Volume of Business: Exceeds one million dollars Does not exceed one million dollars

Dirección de la oficina designada: 10777 Westheimer Road, Suite 1200
(Física y postal) Houston TX 77042
Address of the designated office: 10777 Westheimer Road, Suite 1200
(Physical and mailing) Houston TX 77042

Nombre del agente residente: Ivan Reichard, Esq.
Name of resident agent

Dirección física y postal del agente residente: Reichard & Calaf, P.S.C. 2946 San Francisco Street
Physical and mailing address of the resident agent: San Juan PR 00909
Reichard & Calaf, P.S.C. 2946 San Francisco Street San Juan PR 00909

Nombre, posición, dirección postal y fecha de expiración del cargo de los directores en funciones, a la fecha de radicación del informe.

Name, position, mailing address and date of expiration of the term of the directors holding office at the time this report is filed.

Nombre	Posición	Dirección	Fecha de expiración
See Statement Attached			

Nombre, posición, dirección postal y fecha de expiración del cargo de los oficiales en funciones a la fecha de radicación del informe.

Name, position, mailing address and date of expiration of the term of the officers holding office at the time this report is filed.

Nombre	Posición	Dirección	Fecha de expiración
See Statement Attached			

Estado de situación 1
(Balance sheet)

See Statement Attached

¹ AUDITORIA POR UN CONTADOR PÚBLICO AUTORIZADO
CERTIFIED PUBLIC ACCOUNTANT AUDIT

Si el volumen de negocio de esta corporación sobrepasara un millón (1,000,000) de dólares, el estado de situación que acompaña a este informe anual habrá de estar debidamente auditado por un Contador Público Autorizado con licencia en el Estado Libre Asociado de Puerto Rico, que no sea ni accionista ni empleado de la corporación, junto con la opinión correspondiente de dicho Contador Público Autorizado.

When the volume of business of this corporation exceeds one million (1,000,000) dollars, the financial statement provided herewith shall be duly audited by a Certified Public Accountant licensed by the Commonwealth of Puerto Rico, who is neither a stockholder nor employee of such corporation, together with the corresponding opinion of such Certified Public Accountant.

PETROBRAS AMERICA, INC. - PUERTO RICO OPERATIONS
ACCOUNT NO. 76-0235183
REGISTRY NO. 12233-F
2005 CORPORATE ANNUAL REPORT

LIST OF OFFICERS AND DIRECTORS

OFFICERS

Renato Bertani - President
10777 Westheimer, Suite 1200, Houston, TX 77042

Gustavo Barbosa - Chief Financial Officer
10777 Westheimer, Suite 1200, Houston, TX 77042

Date of expiration of the term
Continuing until succeeded

DIRECTORS

Joao Figueira
Av. Republica do Chile, 65 - RJ - Brazil

Nestor Cervero
Av. Republica do Chile, 65 - RJ - Brazil

Renato Bertani
10777 Westheimer, Suite 1200, Houston, TX 77042

Date of expiration of the term
Continuing until succeeded

DECLARACIÓN JURADA
SWORN STATEMENT

EN TESTIMONIO DE LO CUAL, nosotros, _____ (Presidente o Vicepresidente), y _____ (Tesorero o Subtesorero), declaramos que la información contenida en este Informe Anual es correcta. Hoy, ____ de _____ de 20 ____.

IN WITNESS WHEREOF, we, Renato Bertani (President or Vice-President), and Gustavo Barbosa (Treasurer or Assistant-Treasurer), do hereby declare that the information contained in the foregoing Annual Report is correct. This 12th of July, 2006

Presidente o Vicepresidente
President or Vice-President

Tesorero o Subtesorero
CFO. Treasurer or Assistant-Treasurer

Affidavit núm.: _____
Affidavit no.: _____

JURADO Y SUSCRITO ANTE MÍ POR:
SWORN AND SUBSCRIBED TO BEFORE ME BY:

Renato Bertani y Gustavo Barbosa
and

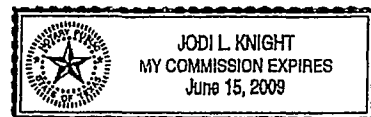
de las siguientes circunstancias personales: 52 years President.
Resident of U.S.A.
(mayoría de edad, profesión, vecindad y puesto que ocupa en la corporación), a quienes conozco personalmente.

Of Gustavo Barbosa the 45 yrs old, Resident of USA following personal circumstances:
(legal age, profession, residents of, and position they hold in the corporation), whom I personally know.

Dada en _____, Puerto Rico, hoy, ____ de ____ de ____.
In Houston, TX Puerto Rico, on 12th July 2006.
USA

SELLO NOTARIAL
NOTARY SEAL

NOTARIO PÚBLICO
NOTARY PUBLIC



PETROBRAS AMERICA, INC. - PUERTO RICO OPERATIONS

ACCOUNT NO. 76-0235183

REGISTRY NO. 12233-F

2005 CORPORATE ANNUAL REPORT

An examination of the financial statements of the company by an independent certified public accountant for the year ended December 31, 2005 is presently in process. Upon completion of the examination, the required financial statements and the Accountant's Report thereon will be submitted.



FOR YOUR PROTECTION SAVE THIS COPY
OFFICIAL CHECK

Customer Copy

557368706

Texas

07/13/2006

Remitter Petrobras America Inc.

\$ *****600.00 ***

Pay To The Order Of Secretary of the Treasury
Dept of State, San Juan P.R.

Drawer: JPMORGAN CHASE BANK, N.A.

NON NEGOTIABLE

TERMS

KEEP THIS COPY FOR YOUR RECORD OF THE TRANSACTION. TO REPORT A LOSS OR FOR ANY OTHER INFORMATION ABOUT THE INSTRUMENT, CONTACT THE INSTITUTION FROM WHICH YOU RECEIVED THE INSTRUMENT.



Texas

Remitter Petrobras America Inc.

Date 07/13/2006

Pay: SIX HUNDRED DOLLARS AND 00 CENTS

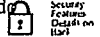
\$ *****600.00 ***

Pay To The Order Of Secretary of the Treasury
Dept of State, San Juan P.R.

Drawer: JPMORGAN CHASE BANK, N.A.

Stephen P. Hughes
First Vice President

Issued by Integrated Payment Systems Inc., Englewood, Colorado
To Citibank, N.A., Buffalo, NY



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Vendor :1000199 Document :2000007566 Date : 07/12/2006

Your Reference	Our Reference	Date	Gross amount
JPMORGAN CHASE PAY FOR CASHIER CHECK (DEPT. OF STATE)	1900005488	07/12/2006	600.00
Sum total			600.00

PETROBRAS AMERICA, INC. - PUERTO RICO OPERATIONS
INSTRUCTIONS FOR FILING
2005 CORPORATE ANNUAL REPORT

SIGNATURES The original of the report should be signed and dated by both the President or Vice President and the Treasurer or the Assistant Treasurer in the spaces provided on page 3.

These signatures must be affixed in the presence of an authorized notary who should complete and sign the notarization statement as indicated.

DUE DATE On or before July, 14, 2006.

HOW TO FILE The signed and notarized original of the report and attachments should be sent in time to be received by the above due date to:

Department of State
P.O. Box 9023271
San Juan, P.R. 00902

We strongly suggest that you send the report by Certified Mail-Return Receipt Requested.

ANNUAL FEE A P.R. Internal Revenue Voucher for \$100 ("Recibo de Pago") representing the annual filing fee should be attached to the report prior to filing. This voucher can be purchased from any Collector's office in Puerto Rico.

The number of this voucher should be entered on page 1 of the report in the spaces provided in the upper left corner.

Cashier Ck

In case you don't have access to purchase the Voucher in Puerto Rico, you can attach to the Report a Certified Check payable to the "Secretary of the Treasury" in the amount of \$100, representing the filing fee.

OTHER - The corporation's audited Balance Sheet as of December, 31, 2005 and accompanying certification bearing the original stamp of the Puerto Rico Society of CPA should be attached to the report prior to filing.

- In the case that the report is notarized outside of Puerto Rico a "County Clerk Certificate" certifying that the notary is authorized by the County should be included with the report prior to filing.

2005



06 APR -6 AM 10:27

PUERTO RICO

PricewaterhouseCoopers LLP
254 Muñoz Rivera
BBVA Tower, Suite 900
Hato Rey, PR 00918
Telephone (787) 754 9090
Facsimile (787) 766 1094

April 4, 2006

Department of State
P.O. Box 9023271
San Juan, Puerto Rico 00902

Dear Sirs:

PETROBRAS AMERICA, INC. – PUERTO RICO OPERATIONS
ACCOUNT NO. 76-0235183
FILE NO. 12233-F

On behalf of the above taxpayer, we respectfully request an extension of time until July 14, 2006, within which to file the Corporate Annual Report for the year 2005. The extension is necessary due to delays in assembling the information required to complete the report.

Please acknowledge receipt of this letter by date stamping the attached copy. If you have any questions, please call us.

Very truly yours,

Hector Bernier

cc: Mr. Elau Lau – Petrobras America, Inc.

03/28/2005 15:10 2125575065

AUFRICHTIG STEIN

PAGE 18



Diríjase toda correspondencia
a la Administradora

**ESTADO LIBRE ASOCIADO DE PUERTO RICO
ADMINISTRACION DE SERVICIOS GENERALES
Registro Único de Licitadores**

CERTIFICADO DE ELEGIBILIDAD

LICITADOR: PETROBRAS AMERICA INC.
Núm. de Licitador: 7243
Seguro Social Patronal: 760-23-5183
Dirección Postal: 10777 Westheimer Suite 1200
Houston TX 77042
Teléfono: 713-781-9798
Núm. de Fax: 713-781-3570
E-Mail: mmagalhaes@petrobras-usa.com
Persona Autorizada a Firmar la Oferta: Marcio Magalhaes
Título que Ostenta: Oil Manager

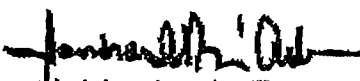
Registro vigente desde 3 de noviembre de 2004 hasta 3 de noviembre de 2005

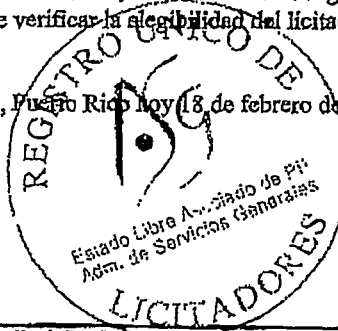
ELEGIBILIDAD:

El Licitador tiene sus documentos¹ al día y está elegible para la adjudicación de subastas compras bajo contrato, y expedición de ordenes de compra hasta el 17 de abril de 2005.

Será responsabilidad del Licitador mantener todos sus documentos al día, durante el año de registro. Además cada Agencia Ejecutiva o Corporación Pública será responsable de verificar la elegibilidad del licitador antes de adjudicar subastas y emitir órdenes de compra.

Y PARA QUE ASI CONSTE expido la presente en San Juan, Puerto Rico hoy 18 de febrero de 2005


Administradora Auxiliar
Area de Adquisiciones
o su Representante Autorizado



¹ Patente Municipal, Certificación de Radicación de Planillas Propiedad Mueble, Certificación de Deuda de Propiedad Mueble, Certificación de Deuda Propiedad Inmueble o Certificación Negativa, Certificación de Radicación de Planillas de Contribución sobre Ingresos últimos 5 años, Certificación de Deuda Contributiva, Certificación de Póliza del Fondo del Seguro del Estado, Certificación de Deuda del Fondo del Seguro del Estado, Certificación de Deuda del Departamento del Trabajo de Seguro de Incapacidad y Desempleo, Certificación de Deuda del Seguro Social Chofetil, Certificado de Cumplimiento con la Ley General de Corporaciones (Good Standing), Certificación de Deuda de la Administración para el Sustento de Menores en el caso de negocio individual (Asumo).